

RESPONSE OF CHARLES K. MCGINNIS
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This collection of thoughts and recommendations will be centered primarily on the subject of commercial and industrial energy efficiency within the context of the Wisconsin economy. This letter will also provide specific recommendations for the Focus on energy Program.

Many attempts have been made to establish the ideal program, or delivery model, to inspire consumers to act as environmental stewards. The characteristics of each program always seem unique and promising in the eyes of the creator. They all attempt to deliver resource acquisition and/or market transformation to a group of end-users segmented by geography, building type or business organization.

The Johnson Controls Team has substantial experience in the design and delivery of energy conservation projects in the C&I sector. We have participated as the lead program manager for the Wisconsin Energy Initiative, Wisconsin Electric-Large Commercial Program, WE-Small Commercial program and are currently participating as a member of the executive team for Focus on Energy. We have participated in every major program delivered in the State of Wisconsin and have a perspective on what works for energy services providers. We have also either assisted in the design or delivery of hundreds of projects nationwide.

In our opinion the most successful projects are the ones that deliver the greatest benefits, the highest reliability, with the lowest cost while stimulating real private sector

employment. In many, but not all cases, we believe that the Focus on Energy Program delivered this objective.

In the last three years the Focus on Energy Program has endured some very major challenges. Some of the more notable are:

1. Starting up a major program with no information, financial, administrative infrastructure.
2. Attempting to achieve goals that were consistently a moving target.
3. Dealing with consistent political agendas from utilities, contractors, equipment suppliers.
4. Changes in leadership within the State of Wisconsin.
5. A significant budget cut.

My recommendations are as follows:

1. Protect the financial integrity of Focus on Energy by reinstating the original budget.
2. Inspire the Focus on Energy Program to put more money into projects that deliver true energy savings.
3. Leverage the investment that the State of Wisconsin has made into the Focus on Energy Program with private industry.

The investment in human capital that was made in Focus on Energy needs to be fully recognized. While the various programs achieved many of their goals, there

remains an opportunity to build on the investment of the past. It is much more lucrative for the State of Wisconsin to expand Focus on Energy than eliminate it.

A coordinated statewide program for energy conservation is the best alternative that can provide the greatest benefits, the highest reliability, with the lowest cost while stimulating real private sector employment.